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*Article unchanged from e-bulletin.

REGIONAL ISSUES

PW: 2Q06 results show slight traffic increase.
PW: Another eight-year labor agreement.

Domtar: “New” with Weyerhaeuser assets.

Halifax, Portland, Boston: Barge still operating.

Short-sea: Massport does not see great future.

Box on possible St.Lawrence feeder service.

[No report.]

MAINE

Downeaster: Ridership up.

MDOT: IRAP awards.

Lane Construction: Box on rail facilities.

Dead River: Box on rail facilities.

GRS: Sappi workers approve contract.

GRS: Future of paper mills.

MERR: FMC may use rail direct.

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Vermont: DMUs?

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MARITIMES/QUÉBEC

CBNS: Aggregate move a distant possibility.

CBNS: Stora Enso workers coming back.

CBNS/SCR: Donkin mine progress.

CBNS/CN: Update on Lafarge.

Halifax traffic: First half about even.

RAIL SHIPPERS/RECEIVERS

A cross-reference to companies mentioned here.

PEOPLE, POSITIONS, EVENTS

New ConnDOT commissioner and corruption.

FROM THE PUBLISHER

Switching to ST from GRS

Bowing to the expanding usage of the correct description of the railroad operated by the Finks, I am ending my intentional usage of the term ‘Guilford’, since the operators themselves refer to it as Pan Am Railway [see 06#04A]. However, to forestall confusion between the railroad and the airline, I will refer use the name of the legal operator, Springfield Terminal Railway, or ‘ST’.

Correction

Nyman does not own the Narragansett building [see Rhode Island in 06#07A]. He wrote: ‘I am simply the caretaker of the property working for the owners, “Ferris Avenue Realty”.’

- Chop Hardenbergh

Next issue: 7 September


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REGIONAL ISSUES

PW: SECOND QUARTER RESULTS

14 August, Worcester. **PW HAD A 1.5% INCREASE IN CONVENTIONAL TRAFFIC VOLUME** compared to 2Q05, according to the 10-Q report filed with the Securities and Exchange Commission. ‘Operating revenues increased $655,000, or 9.9%, to $7.2 million in the second quarter of 2006 from $6.6 million in the second quarter of 2005. This increase is the net result of a $542,000 (9.8%) increase in conventional freight revenues and a $180,000 (26.0%) increase in container freight revenues offset to a small extent by a $57,000 decrease in other freight-related revenues and a $10,000 decrease in other operating revenues....

‘The decrease in other freight-related revenues results from a decrease in demurrage charges to freight customers. The decline in other operating revenues is attributable to a lower level of maintenance department billings to outside parties.’

Conventional car loadings up a bit

‘The increase in conventional freight revenues for the quarter is attributable to an 8.2% increase in the average revenue received per conventional carloading and a 1.5% increase in traffic volume. The Company's conventional carloadings increased by 136 to 9,348 in the second quarter of 2006 from 9,212 in the second quarter of 2005. The increase in the average revenue per carloading during the quarter results from a change in the mix in traffic towards higher-rated commodities, as well as rate increases, including diesel fuel surcharges.’

Containers up, finally

‘The increase in container freight revenues for the quarter is the combined result of a 16.0% increase in the average revenue received per container and an 8.7% increase in container traffic volume. Intermodal containers handled during the quarter increased by 1,236 to 15,499 in 2006 from 14,263 in 2005. The increase in the average revenue received per container is attributable to contractual rate adjustments and to a shift in the mix of containers handled, as previously discussed.

Site contamination

In a note to the 10-Q, PW stated that in March 2006 it had paid $45,000 to settle a lawsuit instituted by CCL Custom Manufacturing [our Directory #443] and others to share the costs of responding to releases of hazardous substances in Cumberland, Rhode Island.

The EPA is investigating the releases. On 15 December 2003, it issued a ‘Notice of Potential Liability’ letter to PW because EPA ‘believes that [PW] accepted hazardous substance for transport to disposal or treatment facilities and selected the site for disposal.’ The Company responded again to EPA stating that it is interested in cooperating with EPA but that it does not believe it has engaged in any activities that caused contamination at the Site. {text of 10-Q}

PW: LABOR AGREEMENT

10 August, Worcester. **THE RAILROAD HAS ENTERED INTO AN EIGHT-YEAR AGREEMENT WITH THE TCU** (Transportation Communications International Union), whose members are all of the Company's clerical employees. It is believed that this is the longest-term contract the TCU has entered into with any railroad. In October 2005 [see 05#11A] the Company announced that it had entered into an eight-year agreement with the United Transportation Union, which represents all of the Company's train service employees. {PW press release}

DOMTAR

23 August, Montreal. **DOMTAR WILL COMBINE WITH Weyerhaeuser to CREATE THE LARGEST FINE PAPER COMPANY IN NORTH AMERICA.** The “new Domtar” will have the six existing Domtar paper mills, including that in Baileyville Maine on GRS [our Directory #850] and in Windsor Quebec on SLR. No Weyerhaeuser assets in the Atlantic Northeast are included. The transaction will close in 1Q07. {Domtar press release and fact sheet}

HALIFAX, PORTLAND, BOSTON

23 August. **THE COLUMBIA COASTAL BARGE CONTINUES TO SERVE BOSTON AND PORTLAND,** said Jack Humeniuk, who manages the Portland terminal for P&O ports. The major user, Hapag-Lloyd, continues to meet with the
stakeholders to find a ship to replace the barge, which moves New York-Portland-Boston, calling Portland each Sunday.

**Portland traffic up**
Despite moving over New York rather than the usual Halifax, the barge feeder service is averaging about 70-75 lifts each call, “a little higher than normal,” Humeniuk said. He attributed the rise to big bookings of paper for export, and imports of a greenhouse structure for US Functional Foods, which will build in Madison, Maine. {ANR&P discussion}

**MORE ON SHORT-SEA SHIPPING**
July, **THE SHORT SEA SHIPPING COOPERATIVE PROGRAM REVIEWED THE PROGNOSIS** at a conference at the Massachusetts Maritime Academy. Robert Kunkel, chair of the program nicknamed SCOOP, said short-sea shipping still lacks the critical mass to begin services [see 06#07B Regional]. Speakers mentioned the need to pay the Harbor Maintenance Tax [see box], the lack of support from the federal government, private investor reluctance, and a lack of vessels qualifying under the Jones Act. {Peter Leach in Shipping Digest 24.July.06}

**Massport perspective: feeder service declining**
Michael Leone, director of maritime services at Massport, told the conference that ‘Boston has had two feeder services for many years and we have seen a decline in the amount of volume on each service, while waterborne volume to the port has increased.’ Leone pointed that Boston once had two barge services from NY and one eventually failed; the Halifax feeder service has trouble [see above].

Obviously other modes are taking up market share, ‘including direct ship calls....No new services have been successfully launched and sustained from the Port Authority of New York /New Jersey's PIDN program. In my opinion, if short sea shipping is to succeed in moving international cargo, it must come from a large carrier that owns and operates all elements of the supply chain and can move freight from its own large terminals to smaller terminals in more remote areas in a hub/spoke manner or a large retailer (like a Walmart) may use it to move domestic goods from its distribution center to regional distribution centers.’ {e-mail to ANR&P from Leone 11.Aug.06 recounting his presentation}

**Taking trucks off the highway**
However, Rick Armstrong, executive director of the Massachusetts Seaport Advisory Council, argued that the market for short-sea lies not in hub-and-spoke feeder service, but moving freight off highways and onto ships. {Peter Leach in Shipping Digest 24.July.06}

**MORE FEEDER SERVICE ON THE ST.LAWRENCE**
[See Hamilton hopes in 06#07A.]
Richard Corfe, president and CEO of The St. Lawrence Seaway Management Corporation, proposes that feeder ships move containers to and from Toronto, Cleveland, and as far away as Duluth, the end of the Seaway line. Unveiled slightly more than a year ago, the strategy is part of a massive marketing campaign called HwyH2O to show the economic and environmental advantages of using the Seaway.

The goal is to nearly double the traffic on the St. Lawrence in the next few years, with much of that increase coming from previously untapped Chinese markets. Corfe is trying to convince marine companies to build smaller container ships to compete with CN’s rail service from Halifax. “With just one rail line, the shippers have all their eggs in one basket.”

One problem for the river: shippers complain about incremental fees on both sides of the border. The Canadian side charges tolls, $1.60 per tonne for bulk commodities and $3 per tonne for general cargo, to use the locks, while the US charges nothing. Instead, the US government levies a port fee of one-eighth of 1% of the value of a ship’s cargo, which can add up quickly if the cargo is high-value consumer goods. Corfe is hoping to change that, because loads moved in other modes, trucked or railed from Halifax into US cities, do not pay that fee. (National Post 5.Aug.06)
MAINE

MDOT: IRAP AWARDS
20 July, Auburn. GOVERNOR BALDACCI ANNOUNCED FIVE GRANTS FOR INDUSTRIAL SIDINGS under MDOT’s Industrial Rail Access Program (IRAP), during a ceremony here. The availability of $900,000 was announced on 8 March [see 06#03B].

Safe Handling
$150,000 for a 2000-foot team track. Ford Reiche, company president, said on 10 August that the track permits Safe Handling to offer the service of transloading, so that it can provide basics as well as top-of-the-line materials handling to its customers. {ANR&P discussion 10.Aug.06}

Lane Construction
$257,854 for a 1400-foot siding in Hermon [see box].

Lane Construction
$257,854 for a 960-foot siding in Stockton Springs [see box]. Lane received a similar grant some years ago, but never built the siding so the funds were returned to the IRAP pool.

Dead River Oil Company
$68,851 for a 350-foot siding in Millinocket. [See box.]

Maine Eastern Railroad
$97,680 for a 2000-foot track in Rockland. {Baldacci press release} Total cost of $195,360.00 for rehabilitation of Rockland Yard North which includes about 2000 feet of track. {e-mail to ANR&P from Bill Phillips 22.Aug.06}

LANE FACILITIES IN MAINE USING RAIL
Lane was founded in 1890 by railroad engineer John S. Lane, who left the New Haven Railroad to open a stone-crushing plant in Meriden, Connecticut. Still headquartered there, the company has operations nationwide. In 2003, Lane moved about 500 carloads a year [see 03#02A]. Scott Leach, district manager for Lane Construction in Maine, described Lane’s rail operations.

Northern Maine Junction/Hermon MMA
Lane owns a quarry and hot-mix site on the Hermon-Bangor line. The hot-mix side, in Hermon, is served by MMA [our Directory #795], which delivers materials from other sites for the hot-mix plant.

Northern Maine Junction/MMA (future)
At the hot-mix end, Lane will build a second spur, a 1400-foot siding costing $555,708 (half paid by IRAP), to serve cement silos. At this time, Lane receives cement trucked from a Ciment Quebec facility in Quebec [but of course!—editor]. The second spur will enable MMA to deliver cement from Quebec by rail.

Northern Maine Junction/Bangor GRS
At the quarry end of the site, Lane has a spur served by Guilford (Pan Am Railway). GRS pulls cars out of the quarry with material for other sites.

Presque Isle MMA
Lane has a quarry on Reach Road, north of downtown, served by MMA [our Directory #763]. Leach said: “The quarry is currently supplying railroad ballast...as well as supplying all the stone for our portable operations in Sherman and Island Falls.”
**Winterport MMA**
In Winterport, MMA serves Lane’s Foley gravel pit. Per Leach, the company has at least one rail move a year out of Winterport: “It depends upon the need for material.”

**Prospect MMA**
In Prospect, at the Mosquito Mountain facility off Route 1A, Lane operates a pit. Like Winterport, it has at least one rail move a year.

**Stockton Springs MMA (future)**
For the past dozen years, Lane has operated a truck-served extensive gravel-mining operation off Muskrat Farm Road in Stockton Springs. The IRAP grant will permit Lane to install a 960-foot siding, total cost $313,105 (state pays half). Leach said the trucks moved natural sand to Lane’s Hermon and Presque Isle facilities, as well as Belfast. The rail will permit Lane to substitute, for the 3,000 truck trips, about 590 carloads to Hermon and Presque Isle.

**Portable facilities**
Lane uses rail when feasible to serve its portable hot mix plants. Recently, it used a siding in Island Falls, and is currently using one in Sherman, to provide materiel for road work on I-95. Leach said that in 2006 these two sites accepted over 250 carloads. [ANR&P discussion 5.Aug.06]

### MORE ON DEAD RIVER IRAP AWARD
Alan Landeen, regional manager in Maine, said the siding funded by IRAP will permit rail delivery of propane to Millinocket, where Dead River has a “large retail presence.” Currently the propane is trucked from the Hampden facility; the siding will obviate the truck move back from Hampden, as the propane cars originate in Canada. So MMA will get no additional traffic, but the new siding will take trucks off the road. [ANR&P discussion 1o.Aug.06]

**Other facilities**
Dead River makes extensive use of rail, with nine facilities [number comes from our Directory]:

- Madawaska #752 oil 05#12A
- Fort Kent #755 oil 05#12A
- Presque Isle #769 oil 05#12A
- Caribou #776 oil, propane 05#12A
- Houlton #785 oil 05#12A
- Hampden #804 propane
- Auburn #912 propane
- Westbrook #12 propane
- Millinocket to come.

### GRS: FUTURE OF PAPER MILLS?
*Note Some characterize the GRS rail franchise in Maine as a license to print money, since the railroad serves most of the paper mills: Sappi Westbrook (#13), Sappi Somerset (#863), NewPage (formerly Mead #881), International Paper Jay (about sold to CMP Holdings—see 06#06A, #877), International Paper Bucksport (about sold to CMP Holdings—see 06#06A, #857), Wausau (aka Otis #878), Lincoln Paper and Tissue (#852), Madison Paper (#872), and Domtar (#850) [see Regional]. The list does not include the former Georgia-Pacific mill, closed in early 2006 and for which a buyer is not yet found. [On 28 July, State Economic Development Director Jack Cashman said the potential buyer, believed to be Cascades of Montreal, is still reviewing the deal. “The only remaining question is the business model and if it works for them, for the buyers. If it does, then we’ve got a deal.” {Bangor Daily News 29.July.06}]*
National future?
Roy Blanchard, in his Week in Review of 21 July, notes: ‘Of 22 paper companies listed in the Wall Street Journal “paper industry group center” stock prices for ten are down double-digits over five years and the ten include all the major US providers. The double-digit gainers are all off-shore companies like South Africa’s Sappi and Aracruz in Brazil. Wood chips and logs are good businesses to be rid of, though many of my shortline friends do not like to hear this.’

In Maine, interestingly, G-P, NewPage, and CMP Holdings took over from publicly-held companies, and so their mills do not fit in the WSJ group. Similarly, Madison Paper is held by two public companies.

That leaves only the Domtar mill, the Wausau mill and the two Sappi mills (four of the ten served by GRS) as owned by publicly-held companies. And Sappi is showing double-digit gains.

Given that Maine still ranks as the second-leading paper-making state [see 06#06A], and assuming that the private equity companies are not investing for charitable purposes, one can conclude the GRS franchise still looks quite solid. Editor

AMTRAK: DOWNEASTER
23 July, Portland. THE TRAIN EXPERIENCED A RECORD YEAR: the past twelve months totalled 329,265 passengers, up 31% over the previous year. Revenues for the service between Boston and Portland grew to $4.35 million, surpassing the $3.3 million during the previous fiscal year. {NNEPRA Performance Report}

GRS: SAPPI
22 August, Westbrook, Hinckley. SAPPI WORKERS AT BOTH MILLS APPROVED A CONTRACT with the company. {Elbert Ault in Portland Press Herald 23.Aug.06} [See 06#06B.]

MERR: POSSIBLE CUSTOMER
23 August, Philadelphia. FMC BIOPOLYMER IS LOOKING AT DIRECT RAIL SERVICE, said Rita Haas, national purchasing manager. FMC, which has a plant in Rockland company importing seaweed and exporting a refined seaweed product, said the plant had already switched away from containers via Portland [see feeder story] to trucking and containers via Auburn [see 99#20].

Haas has also asked MERR for a price for rail direct [the two were talking in 2005–see 05#04A], she said. {ANR&P discussion}

PORTLAND
17 August. A PARTNERSHIP AMONG TWO STEVEDORING FIRMS ACCOMPLISHED A SPECIAL MOVE out of the port: the large pieces of the pulp mill formerly at the Sappi plant in Westbrook. Sappi had closed the mill some time ago, and sold it to a company in India.

According to Bruce Atkins, managing director for materials handling of Sprague, Sappi asked Sprague if it could handle the export of the mill over Sprague’s Merrill Marine Terminal in Portland. Sprague had the expertise, but believed that Merrill’s lacked the laydown space to accomplish the move. Sprague suggested using the International Marine Terminal (IMT).

P&O Ports, which operates the IMT to handle containers, partnered with Sprague to handle the move. Sappi began dismantling the mill in February. Sprague organized the move, orchestrating the trucking of the pieces from Westbrook to the IMT. P&O workers, using the IMT crane in conjunction with ship’s gear, loaded the pieces into the BSLE Express, a self-gearied ship.

Evaluation
Atkins said the move “illustrated what we have contended, that good things can happen at the port with a cooperative spirit.”

Jack Humeniuk of P&O Ports agreed that the move “went well. It took only two and half days, though we had planned five.” It showed that people from both companies can work together.

Humeniuk added that P&O did not have an easy time of it, given the continuing movement of containers in the small space of the IMT. The move showed what can be done when the passenger operations move to the other end of the harbor. {ANR&P discussions 23 & 24.Aug.06}
MASSACHUSETTS

GRS: WESTOVER TRACK

4 August, Chicopee. **THE RAILS ON THE WESTOVER INDUSTRIAL TRACK WILL REMAIN** for some time at least, said Allen Blair, chief executive officer of the Westover Metropolitan Development Corporation (WMDC).

**Removing track in military installation**

Per Blair, following an announcement in June, people got the impression that the track inside the entire former air force base would disappear. Instead, just the track inside the fence of the Air National Guard facility will go. The line, which moved bombs from an ammunition bunker to the tarmac for loading aboard B-52 strategic heavy bombers is no longer needed and will be torn up. Jack Moriarty, Westover's environmental engineer, took plans for removing the tracks to the city's Conservation Commission in June, as they obstruct the main base runway. The date for removal is not yet set. {Etta Walsh in Springfield Republican 9 June.06}

**Existing spur to GRS interchange; no obligation to repair**

The track from the base, with several potential customers, extends 4.8 miles to the GRS ConnRiver line in Chicopee. The railroad abandoned the line in 2004 [see 04#08A], and its ownership reverted to WMDC; the corporation asked the STB to require GRS to restore the track to Class I. In 2004, the Board ruled:

> The conditions requested by WMDC will not be imposed. Concerning the request for a condition requiring ST to restore the entire track to FRA Class 1 conditions, WMDC has not shown that reasons of public safety or other environmental reasons require such a condition. WMDC has not made it clear how public safety would be improved by upgrading track on a line over which no traffic has moved for at least two years. Concerning the requested restoration of every public at-grade railroad crossing, the only impacts to public roadways that could result from this proposed abandonment are likely to occur as a result of salvage. Here, however, ST has no right to salvage the line because WMDC's reversionary interest in the property will vest on consummation of the abandonment. {STB website, decisions page, AB-355 (Sub-No. 30X)}

Blair said WMDC was still reviewing how to get GRS to pay for the work, as the corporation interprets its agreement with GRS to require the railroad to return the track to WMDC in the condition GRS found it. The crossings continue to deteriorate, and are of concern to Chicopee.

The future

Blair would like someone to walk the track to get an estimate of the cost to rehabilitate it, and to talk to the businesses in the park about using the railroad. “It would be wonderful if [someone] were able to make an economic go of it. But we cannot go on indefinitely as the rail deteriorates. If there is no viable potential in the air park, why keep the rail outside the park?” [ANR&P discussion]

NECR: NE WOOD PELLETS

7 August, Palmer. **NEW ENGLAND WOOD PELLETS IS LEASING AND REMODELLING 40,000SF OF WAREHOUSE SPACE** belonging to the MapleTree Industrial Center. NEWP will spend $1.5 million to create a wood pellet bagging and distribution plant, operational by September. “By leasing space that is ready to go, we can get this fuel into New England before the heating season begins, and help relieve shortages we've seen the last few years,” said Steve Walker, president and CEO. The company has a five-year agreement with British Columbia pellet manufacturer Houston Pellet Inc. to import by bulk rail about 82,500 tons of premium wood pellets annually - enough fuel to heat over 27,000 average homes.

**Existing operation**

“We can't keep up with demand for our product,” said Walker. “So we've decided to supplement our own production witha very high quality pellet from Canada.” New England Wood Pellet’s current facility in Jaffray, New Hampshire, produces more than 80,000 tons per year, all of which has been fully allocated to dealers through 2007.

NEWP was railing in additional bagged pellets via CCRR’s LaValley facility [our Directory #1079] in Claremont; LaValley also used some for its own customers. [ANR&P discussion with CCRR’s Steve Fontaine 21 July.06]

The Palmer facility is one component of an ambitious expansion plan that includes construction of a $10 million
Nashua, NH. Showing anticipated Amelot biorefinery, plus the three existing rail freight facilities from the Directory.

manufacturing plant near Utica, New York, completion of a 20,000 square foot wood-pellet machinery fabrication shop in Jaffrey, New Hampshire, ongoing evaluation of additional plant sites, and continual capacity and efficiency upgrades to the company’s flagship plant in Jaffrey.

More on MapleTree Industrial Center and the operation
This privately-owned facility, located at 21 Wilbraham Street, already houses two rail facilities: Air Liquide [our Directory #713] and Essroc Materials [#715]. The center sprawls over many acres and houses many buildings.

NEWP will use the rectangular warehouse in the northeast sector, which has an existing rail spur coming off the Essroc spur just north of the Essroc facility. {editor} Workers will off-load pellets from three 100-ton railcars per day. They will re-package the pellets into 40-pound bags, stack them on one-ton pallets, and ship them to over 80 retail dealers throughout the northeastern United States. The new facility will employ about eight people. {Renewable Energy Access 7.Aug.06}

NEW HAMPSHIRE

AMTRAK: DOWNEASTER
23 July, Portland. THE TRAIN EXPERIENCED A RECORD YEAR: the past twelve months totalled 329,265 passengers, up 31% over the previous year. Revenues grew to $4.35 million, surpassing the $3.3 million during the previous fiscal year. {NNEPRA Performance Report}

The NH 10-year Plan envisions another Downeaster stop.
A proposal in 2003 to spend $160,000 for a passenger station in Plaistow NH died when the town’s neighbors declined to pony up their share [see 03#14A], but the new 10-year Transportation Plan allocates nearly $1 million for a stop in 2009.

Southern New Hampshire commuters already drive to Haverhill to catch the train, but would prefer to create the fourth New Hampshire stop.
Requirements of ST
David Fink, ST executive vice-president, said: “We are in the freight business. In the past we have been as accommodating as we can afford to be, but there comes a point when it becomes too much.” To add a Plaistow stop, ST would require double-tracking the 20 miles between Plaistow and Dover. [See 06#04A.] {Michael Busack in Lawrence Eagle-Tribune 6.Aug.06}

ST: NASHUA BIODIESEL
11 August, Cheyenne, Wyoming. SPRINGFIELD TERMINAL WILL GAIN A BIODIESEL REFINERY AS A CUSTOMER, according to plans by Amelot Alternative Energy, a subsidiary of Amelot Holdings. Aziz Hirji, president, said Amelot had leased about 30,000SF of an 80,000SF building at 160 Burke Street in Nashua, which has a spur (some currently paved over) into the building.

Inbound raw materials
The refinery will use soy oil and methanol from Ashland Chemical, delivered at first by truck. Hirji estimated that he will begin using rail by the end of the year.

The company aims to produce at a one-million-gallons/year rate, to reach eventually 10 million gallons per year. Amelot is already producing biodiesel at a temporary location, and a New Hampshire trucking firm is testing its use.

Market
Amelot chose New Hampshire as its first location, and plans to expand to five to seven plants in one year. Hirji anticipates that the City of Nashua and the State of New Hampshire will begin using biodiesel; the company is discussion with these entities about a supply contract.

Company future
Amelot is a public company, though Hirji owns a majority of the stock. It currently sells for about 2.5 cents per share, but he notes that it has risen from 0.1 cents per share. He called the company “definitely undervalued”, compared to the other 15 to 18 companies involved in biofuels, which are priced in dollar figures.

Amelot is the “most progressive as far as biodiesel,” having started only in May, and already has produced in its temporary quarters. {ANR&P discussion 24.Aug.06; interview on tradernation.com 7.06; Amelot press release 11.Aug.06}

ST: ENGINES IN NASHUA QUIETER
17 August, Nashua. LOCOMOTIVES MAKE MUCH LESS NOISE NOW in the Nashua Yard, which lies between Gillis Street and the Merrimac River.

Problem solved
Gillis Street resident Carol Rioux had complained to city officials in early 2006 about the noise of idling engines. ST has begun installing auxiliary power units to obviate the need for the locomotive prime mover to idle. [See 06#02A.]

On 14 August, ST demonstrated the unit to Rioux, other Crown Hill area residents, and Nashua officials such as Kathy Hersh, the city’s community development director. “For over a year I’ve gotten calls from residents in the Crown Street area about noise from the rail yard,” Hersh said. The company had always responded, moving trains when it could, but ST had to maintain the yard, which meant keeping locomotives idling, she said.

During a meeting with ST Executive Vice-president Fink several months ago, Hersh brought up the issue of the noise. Fink noted that the company had been retrofitting the trains with auxiliary power units, and when he heard about the concerns in Nashua, he moved the city up on the priority list, Hersh said.

Rioux said she’s worked with the city since the fall of 2004 on the problem. Trains often were left idling over the entire weekend, especially in cold weather. To make matters worse, buildings had been torn down and equipment moved from the former Triangle Pacific Corporation site, which had served as a buffer between the trains and Gillis Street. She praised the railway company for its response to the problem and willingness to work with residents and city officials. “It speaks well about the company that they’re recognizing problems and trying to improve things along the track.”

“In Nashua, we’ve had one on and off for the past three months,” Fink said. {Patrick Meighan in Nashua Telegraph 17.Aug.06}
RHODE ISLAND

NO ETHANOL TO E. PROVIDENCE
10 August, East Providence. **GETTY IS NO LONGER CONSIDERING MOVING ETHANOL TO THE TERMINAL IN EAST PROVIDENCE**, said Emile Fontaine, terminal manager for the facility here [see 03#07B]. Getty closed the facility three years ago, and had contacted Jim Ball of the Rhode Island Department of Environmental Management two months ago about using the tanks again for ethanol. But when Getty discovered that Motiva would receive ethanol in Providence [see 06#07B], Getty decided against using the East Providence facility.

Source and transport to New England
Currently some barges deliver the ethanol to New England; Fontaine explained that the product comes from only a few major manufacturers, Archer Daniels Midland (ADM) being the largest. Getty has used ethanol in its gasoline since 1990, and now buys it from ADM.

Gasoline retailers, now required to blend in 10% ethanol to the gasoline, were nervous about relying on barges for winter delivery and sought storage in New England. In an emergency, explained Fontaine, other retailers could buy the ethanol off the Motiva terminal, probably buying an entire tank load and trucking it back to their terminals. {ANR&P discussion}

PW: COASTAL MOVE DROPPED
15 August, Cumberland. **THE PROPOSED COASTAL FACILITY IS DROPPED, BUT THE FLEET FACILITY REMAINS POSSIBLE** [see 06#07B]. Coastal spokesperson Stephen Cuomo said the company intends to formally withdraw its application to site a construction and demolition debris facility on Mendon Road by the end of this week. “Coastal Recycling Inc. has stated many times publicly that its number one priority is and will continue to be to operate as good neighbors in communities that we service.” Coastal does the contracted waste hauling for Cumberland.

The company's decision was made public in a press release sent from Mayor Iwuc’s office hours before a discussion forum on the issue, organized by former mayor Daniel J. McKee (running against Iwuc this autumn), began at St. Joseph's Parish Hall.

The Fleet proposal
Both Iwuc and McKee have already expressed their opposition to the Fleet plant as well. Town Councilman James Higgins said 16 August that he hopes to put the question permanently to rest with an amendment to the town's zoning ordinance that will expressly prohibit the building of C&D facilities anywhere in Cumberland, unless a variance or zone change was granted. “Members of Mayor Iwuc's staff have determined that the current zoning code allows for these types of facilities in town,” thereby eliminating oversight by the Town Council or Zoning Board, he said. “After reviewing the current zoning ordinance, I am left to wonder why such a decision was made.” Higgins said that while an amended ordinance couldn't affect proposals that are already in, it would at least serve to close off such projects in the future. {Seth Bromley in Pawtucket Times 15.Aug.06}

MBCR: NEW SERVICE & FACILITY
24 July, Providence. **THE MBCR BEGAN EXPANDED SERVICE BETWEEN PROVIDENCE AND BOSTON, OPENING THE LAYOVER YARD.** MBCR, which operates the trains for the MBTA, will add three trains each way on weekdays, and add train service on the weekend for the first time. {MBCR press release}

New layover yard
The additional service is enhanced by a new $18.5 million, 12-acre MBTA layover facility in Pawtucket, funded by the T and the state of Rhode Island, relocated from Attleboro. The yard’s six tracks can hold six 9-car trains, said Lydia Rivera, spokesperson for the MBTA, at a formal opening on 31 July.

Service to TF Green
On 17 July, the state broke ground on an intermodal facility to serve the TF Green airport in Warwick. It will contain a rail depot on the Northeast Corridor served by the MBTA, and a people-mover to reach the airport terminals. In May, the last piece of the financing came together when the companies agreed with the airport on a cost-sharing scheme, and the General
Assembly approved $48.7 million in bonds.

**Fees to use Northeast Corridor**
RIDOT is still negotiating with the MBTA and Amtrak over fees for the use of Amtrak's rails between Providence and Wickford, and the two sides are fairly far apart on price, said James Capaldi, director of the Department of Transportation. The state wants to pay $15 per train mile. Amtrak wants $35 per train mile, amounting to roughly a $2 million difference in the annual payment. Capaldi said that the normal price nationwide is $8 to $11 a train mile. They are also negotiating over indemnity and insurance in case of problems or a wreck. He predicted an agreement by the end of 2006.

**Amtrak and the FRIP**
RIDOT has always wanted Amtrak to stop at the airport as well, said Capaldi. But Amtrak wanted several tracks available, so it would not be slowed by commuter trains. The state was able to persuade Amtrak to serve Warwick with fewer tracks by electrifying an under-construction freight track, and adding high-speed switches. The work will still cost $50-60 million, which RIDOT cannot currently afford. {Daniel Barbarisi in Providence Journal 16 July 06; Tatiana Pina in Providence Journal 1 Aug 06}

**VERMONT**

**AMTRAK: VERMONTER ON DMUs?**
7 August, Waterbury. AMTRAK SUGGESTS RUNNING THE VERMONTER WITH DIESEL-MULTIPLE-UNITS or DMUs, as a demonstration project. The railway briefed about 25 legislators, as it would like approval by September. Transportation officials promised to provide lawmakers, many of whom were intrigued with the possibility, with more information over the coming weeks. They will ask the legislature's Joint Fiscal Committee to approve the purchase plan at its 19 September meeting.

**The operation**
Sam Lewis, VAOT’s director of operations, noted that currently Amtrak operates the Vermonter as two locomotives and train cars with seats for 400 passengers for its run to St. Albans, because that configuration is needed on the southern end of the line as it travels to New York and Washington. In Vermont, Lewis said, “We are pulling empty seats with more power than is needed.” In the demonstration, passengers for the Vermont leg of the trip would switch in New Haven to DMUs.

**Funding**
“Amtrak came to us and said we'd like to try something—to see what the new DMUs can do on inter-city routes,” Lewis said. Amtrak would provide the state with $2 million to help with transition costs, retooling a maintenance facility, and marketing. The Federal Rail Administration has said it would loan the state the $17.5 million to buy five cars, with no payments due for the first three years—the duration of the demonstration, Lewis explained. The loan would last 20 years at 4.5% interest. Lewis estimated the state would save $4.25 million during the three-year demonstration because the new cars require smaller crews and less fuel.

**Use Colorado Rail Car DMUs or refurbished Budd cars?**
VAOT considered two sources of cars: Oklahoma-based Farmrail [actually run by George Betke, a Maine resident–editor], which would provide refurbished 50-year-old self-propelled cars originally made by Budd; or Colorado Rail Car [see 04#03B–New Brunswick, which compares the virtues of the two] which would provide new equipment consisting of a self-propelled car and the trailer each seating 60 people.

“Farmrail represents more risk to us,” Lewis argued. Costs could be higher on rebuilt equipment compared to new, he said. Also Amtrak wouldn't provide its $2 million grant if the state bought those cars. Lewis said Colorado Rail Car would need 14 months to fill Vermont's order for five cars. If ordered promptly, service with the new equipment could start in late 2007.

If Vermont were dissatisfied after the initial three-year period, it could sell the equipment back to Colorado Rail Car at 90% of the purchase price. {Nancy Remsen in Burlington Free Press 9 Aug 06}
VRS: FRA GRANT
17 August, DC. THE FRA WILL GRANT $1 MILLION TO VAOT FOR CWR INSTALLATION between Vergennes and Charlotte. According to FRA spokesperson Dede Cordell, the money was appropriated in FY2002 for the commuter operation Champlain Flyer, which ended before the money was used. FTA reprogrammed the money, and FRA has now provided it for track improvements on the same stretch the Flyer ran on. The funds do not come out of the Western corridor earmark of 2005 [see 06#06A]. {ANR&P discussion 24.Aug.06}

Dick Hosking, head of VAOT’s rail division, wrote: ‘It is part of our program to improve rail service in the Western Corridor and as we upgrade sections of track we are upgrading to allow future Amtrak service if it occurs. There is a desire for Amtrak service into Burlington from the south so it only makes sense to go the extra mile to make it compatible for future Amtrak service.’ {e-mail to ANR&P 24.Aug.06}
CBNS - AGGREGATE MOVE

10 August, Sydney. **RAILING AGGREGATE FROM THE STRAIT TO SYDNEY LOOKS LIKE A DISTANT POSSIBILITY**, according to comments by Davis MacKenney, owner of the Municipal Ready-Mix quarry in Sydney. In general, companies have had difficulty finding aggregate which can meet the necessary specifications on the Island; Municipal had a problem earlier with the product from its own quarry, and was using aggregate from the quarry of a competitor.

**Use of rail?**

MacKenney said he reached out as far as the Martin Marietta quarry on the Strait of Canso, and considered railing the product. But the cost of transportation was daunting. In the meantime, he has been able to produce aggregate from his own quarry to meet specifications, so that the need to use another quarry lies in the future. **{ANR&P discussion}**

Roy Budgell, CBNS marketing honcho, said discussions on railing the product had occurred, but such a move would not happen until 2007 at the earliest. **{e-mail to ANR&P 10.Aug.06}**

CBNS - STORA

9 August, Port Hawkesbury. **STORA ENSO IS RAMPING UP OPERATION TO RESUME PRODUCTION.** Stora spokesperson Patricia Dietz said the 30 people coming back this week will be the first of many. “Each week after this week, we’ll be getting more employees and we’ll ramp up to about 200-plus hourly employees by September.”

At that time, the company anticipates a favorable ruling on its request for a cheaper electrical rate, the final condition it needed to re-open the plant [see 06#06B]. Stora hopes to hear the Utility and Review Board's decision on the rate by the end of that month. Once the rate is known, the company will decide whether to reopen the mill permanently and bring back all workers. Stora is one of the largest employers in the Canso Strait area. In addition to the 650 employees at the plant, hundreds of people cut, sell or truck wood to the plant. **{CBC webposted 9.Aug.06}**

Role of the plant in North America

Makers of supercalendered paper may not necessarily welcome back the Port Hawkesbury plant. Its 380,000 metric tons per year capacity accounted for about 25% of all North American shipments. Producers, in the wake of the plant shutdown in December 2005, were able to increase prices by $40/ton, effective with July shipments.

The additional capacity, coupled with a drop in demand around 5%, could endanger the pricing. **{Harold Cody in PaperAge 7-8.06}**

On the other hand, CBNS and NECR will certain welcome back the carloads [see 06#04A Regional].

CBNS/SCR: POSSIBLE COAL

24 August, Donkin. **ANY MAJOR MOVEMENT OF DONKIN COAL REMAINS YEARS AWAY.** Xstrata Coal [see 06#07A] recently removed the dirt and cement from two portals at the Donkin mine as part of its exploration of the site. “The condition of the portals is, to my view, better than what we expected,” said company spokesperson Jeff Gerard. “We're quite optimistic that we're going to be down to the coal seam by Christmas.”

Xstrata will now drain water out of the two portals, which is scheduled to begin in mid-September. With access to the seam, the company will test the coal as part of a mine feasibility study. **{CBC webposted}**

Railing the coal

Reports out of Cape Breton Island [see 06#07A] indicate that Xstrata plans to rail the coal when production reaches a certain volume, perhaps within two years. **{e-mail to ANR&P}**

CBNS/CN: LAFARGE UPDATE

7 June, Brookfield NS. **LAFARGE USES RAIL FOR BOTH INBOUND COAL AND OUTBOUND CEMENT** per Jim Cross, who manages the company's cement plant here. Two years ago, he wanted to get direct coal deliveries by rail (300-400 carloads a year), and improve outbound cement (at that point about 500 carloads a year) [see 04#05B].
Cement
Lafarge continues to send out about 500 carloads of cement westbound; CN supplies the cars.

Coal
Rail observers report that CBNS moves 10-15 cars of coal a week from the Provincial Energy Ventures pier in Sydney (formerly Sysco). For example, on 5 June the westbound CBNS left North Sydney at 11:30am with 14 cars, including seven loaded coal cars from the 8400 series and one empty coal car from the 9400 series. On the 9th, another six cars came out of Sydney in a 15-car train. The coal is transloaded to truck in Truro, and drayed to Brookfield.

Why not coal direct
Cross pointed out that the coal supplier, Provincial Energy Ventures [does ship-to-ship transferring of coal in Sydney, and sends some to Lafarge—see 05#02A], provides the coal FOB his plant. Hence, Lafarge does not control the method of delivery. {ANR&P discussion 9 Jun.06}

Jimmy Graham of PEV said on 12 July that PEV gets a delivered price from CBNS to move the coal to Brookfield. {ANR&P discussion}

Roy Budgell, CBNS manager of market development, explained that PEV looked at three different methods of delivering the coal: rail direct, truck direct, and rail plus transload at Truro. The rail direct price, quoted by CN, came in too high, as did the truck direct price. The CBNS price, which included the drayage from Truro the 18 miles to Brookfield, came out lowest so CBNS has the delivery contract. {ANR&P discussion 24 Aug.06}

HALIFAX TRAFFIC 1H06
1 August. THE PORT AUTHORITY FINALLY ISSUED STATISTICS; it had kept them only for its customers during the first six months of the year [see 06#05B article on Halifax intermodal service].

Non-HPA facilities
HPA for the first time split out the non-HPA traffic.

Interesting points
Import breakbulk dropped 57.2% to about 41,000 tonnes, while export breakbulk increased about the same amount, to 4300 tonnes. Although export ro-ro dropped 17% to about 14,000 tonnes, import grew 11.8% to 35,700 tonnes. Bulk grew about 50% at HPA facilities, to 133,000 tonnes, while it grew about 2% to 4.25 million tonnes at non-HPA facilities.

Containers: down slightly
TEUs decreased to 260,755, down from 262,624 for the same six-month period in 2005. But tonnage increased 0.6%, because the terminals moved fewer empties. Inbound TEUs of 128,419 nearly balanced outbound of 132,336; in 1H05, a similar balance existed.

The month of June looked better: ‘In the month of June containerized exports were up 10.1% over
June 2005, while import container cargoes were up 8.1%....The outlook for the rest of the year looks strong as Halifax has recently added a new service of the Maersk Line (MECL2 service initiated May 1, 2006) and services from China Shipping (AMAX) and a second weekly sailing to Newfoundland by Oceanex will provide carrier capacity increases for the trade in the second half which is normally the strongest period of the year for container shipping.’ [HPA website]

### RAIL SHIPPERS

Described in this issue.  
*Our Directory of Rail Freight Facilities in New England* has more information on the companies denoted with their directory number.

- Amelot Alternative Energy (GRS, New Hampshire)
- Coastal Recycling (PW, Rhode Island)
- Dead River (MMA see box for #s)
- Domtar (ST Maine #850)
- Domtar (SLR Quebec)
- FMC Biopolymer (MERR Maine)
- Getty (PW, Rhode Island)
- Lafarge (CBNS, Nova Scotia)
- Lane Construction (MMA see box for #s)
- Municipal Ready-Mix (CBNS, Nova Scotia)
- New England Wood Pellets (NECR, Massachusetts)
- Stora Enso (CBNS, Nova Scotia)
- Xstrata (CBNS, Nova Scotia)

### PEOPLE

In July, Governor Rell appointed Motor Vehicle Commissioner and state police force veteran Ralph Carpenter as ConnDOT commissioner. While Carpenter is well-respected in the state, he is not the reformer many Connecticut transportation observers were hoping for. In an editorial entitled “An Uninspired Choice,” the Hartford Courant said the DOT needs a leader to transform it from the highway building agency it is into a more balanced agency focused on moving people with mass transit and developing homes and retail near rail and bus hubs. ‘Parking lots are not transit-oriented development....the message this sends is not that the governor wants a balanced and innovative transportation system; it is that she wants no further scandals....There’s reason for this: A federal investigation of the DOT’s rail operations unit has thus far resulted in a guilty plea from one high-ranking official to charges of theft and obstruction of justice.’ ([Mobilizing the Region #536 11.Aug.06](#))
as the government environment they function within. Coverage includes passenger rail and ships when relevant to freight operations.

Frequency and the e-bulletin

**ANR&P** appears at least four times a month. We send a formal issue twice a month, via post or e-mail. Between the issues, we send out the e-bulletin, only by e-mail. All information in the e-bulletin is included, and often updated, in the issue.

Stories not updated for the issue are noted with an asterisk. I urge readers to look at the issue’s updated stories (those without an asterisk).

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**Purpose**
*Atlantic Northeast Rails & Ports,* née *Maine RailWatch* (1994-1997) and later *Atlantic RailWatch* (1998-1999), is dedicated to the preservation and extension of the regional rail network. The editor believes that publishing news on railroads and ports spotlights needed action to preserve the rail network. The publication also imbues the region with a sense of an interdependent community, employing the network to move rail and port traffic. ‘No railroad is an island, entire onto itself.’